



MICHAEL J. MURPHY
State Treasurer

June 2001

The LOCAL View

Local Option Capital Asset Lending

Notice anything different?

That's right, the LOCAL newsletter has a new look. The Office of the State Treasurer, in an effort to standardize the publications we distribute, has created a new design for the newsletter, now known as *The LOCAL View*. Look for *The View* to provide valuable LOCAL news, upcoming events, and statistical information. As the name implies, look for *The View* in a locality near you.

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First real estate financing draws five locals

The Office of the State Treasurer has expanded its service to local governments with its first two LOCAL Program real estate financings.

Five local governments took part in December 2000 in the first tax-exempt real estate financing (Series 2000A), including two school districts, two fire districts, and a regional library district. Participants received rates ranging from 5.35 percent for a fire district that financed for a four-year term to 5.83 percent for a school district that financed for a 15-year term.

One fire district and one school district participated in the second LOCAL real estate financing in May 2001. Interest rates for this financing were similarly attractive. To see a list of current rates, visit the LOCAL interest rate page at www.wa.gov/tre/localtrn.htm.

LOCAL offers financing alternatives

LOCAL can provide low-cost, permanent financing for real estate projects for local governments accepted into the program. Financing can be for acquisition of buildings and land or construction project reimbursements (once a project is completed and has received the final occupancy certificate). The program is not designed to finance expenditures during the construction phase of a project.

LOCAL real estate financing may be facilitated by an interim construction loan between a financing provider and the local government, or, by the local government's funding of the project through the construction phase. When a project is complete, LOCAL can either refinance existing construction loans or reimburse agencies for qualifying project expenses.

How can you get involved?

Local governments hoping to use this low-cost source of permanent financing should first seek approval to finance their project through the LOCAL Program. If your proposal is approved by the Office of the State Treasurer, we will provide permanent financing if certain criteria are met, such as no material changes in credit standing, etc.

After we give approval, the local jurisdiction can then negotiate a construction financing agreement with its interim-financing provider. Local governments intending to fund construction with their own money should seek formal acceptance into the LOCAL Program before spending money they may want LOCAL to reimburse.

OST expects to offer its next LOCAL real estate financing in November 2001. Feel free to contact LOCAL Program real estate specialist Kristi Wolgamot at kristi@tre.wa.gov or 360-902-9020 for more information about real estate financing, or visit our Web site at www.wa.gov/tre/local.htm.

LOCAL Program moves forward: Real estate and beyond . . .

State Treasurer Michael J. Murphy's philosophy is to partner with our friends in local government and provide them with high-quality programs and customer service.

As part of this effort, we've made LOCAL available to local governments in Washington. More than 100 have chosen to use LOCAL when they've needed a cost-effective way to finance real estate and equipment.

As LOCAL Program manager, I'm pleased to report that, since our last newsletter, LOCAL team members Kristi Wolgamot and Sue Melvin have taken big steps forward in financing both real estate and equipment. These include two successful real estate financings and LOCAL's continued partnership with the Department of General Administration's nationally recognized Energy Efficiency Program.

In addition, LOCAL has begun a new relationship with GA's Office of State Procurement. See the article on Page 3, contributed by GA.

LOCAL management and staff are dedicated to building long-term relationships with our customers by offering low-cost financing, quality service, and strong customer support. We remain committed to being your best alternative to more expensive financing. A revised LOCAL Program Booklet, which includes instructions for financing real estate through the program, will be mailed to districts soon. Or find it by visiting our Website at www.wa.gov/tre/local.htm.

LOCAL team members and I want to stay in touch with the customers we serve. Feel free to contact me at martin@tre.wa.gov or 360-902-9021 if you have any questions, comments or suggestions.

Martin Reynoso
LOCAL Program Manager

LOCAL teams with GA on energy efficiency projects

During the last few months, LOCAL has financed many different types of equipment for various local governments, including portable radios, ambulances, fire trucks, and breathing apparatus for fire districts; buses and portable buildings for school districts; and road graders, trucks and police cars for cities.

The program has also financed energy-efficiency equipment projects for local agencies such as the South Kitsap School District and the Yelm School District.

Each of these projects is administered for the school districts by the Department of General Administration's Energy Efficiency Program. The Office of the State Treasurer is working with other local governments to finance their energy efficiency projects as well.

Energy projects help local jurisdictions leverage limited funds and accomplish more and better upgrades.

In the case of the South Kitsap School District, General Administration helped the district achieve energy savings well above what was needed to repay its LOCAL program debt.

The next bi-monthly LOCAL equipment financing will be in August 2001.

Feel free to contact LOCAL Program equipment specialist Sue Melvin at melvins@tre.wa.gov or 360-902-9022 for more information about LOCAL financing for equipment and/or energy efficiency projects. Or visit our Web site at www.wa.gov/tre/local.htm.

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Purchasing co-op, LOCAL save money for local governments

by **Jim Erskine**
GA Public Affairs

The city of Kennewick recently confirmed what many in this state already know: local government customers can save on everything from pencils to pickups buying off a state contract.

The key that opens the door to great prices is a membership in the State Purchasing Cooperative.

Kennewick, a co-op member, bought 20 fully equipped police vehicles off a state contract. The city saved thousands of dollars and then stretched its money further by financing the deal through the State Treasurer's LOCAL (Local Option Capital Asset Lending) Program.

Let the state do the legwork

By joining the co-op, even the smallest jurisdiction can capitalize on the resources and expertise of the state. The cooperative reduces staff time dedicated to procurement, allowing employees to focus on their main jobs.

"It makes no sense for us to do the bidding when we can take advantage of the legwork done by the state," says Bob Noland, director of support services for the City of Kennewick.

General Administration's Office of State Procurement manages the co-op. Members include over 600 agencies, cities, counties, school districts, colleges, universities and non-profit organizations. The co-op leverages the high volume to get low prices and favorable terms from vendors.

LOCAL: A low-cost financing choice

The LOCAL Program provides low-cost financing for state and local government purchases by pooling funding needs into larger offerings of securities. The program has helped government agencies finance the purchase of computers, fire trucks, portable buildings, HVAC systems and road construction equipment, as well as vehicles.

In late 2000, LOCAL expanded to include financing for real estate transactions.

"We buy off state contracts all the time and have used the LOCAL program to finance a couple of purchases," says Noland. "We are happy with the results. Both programs have been very beneficial for us."

Register today to join the co-op

State agencies are automatically members of the purchasing co-op. Local governments and non-profit organizations must register to join.

Co-op members get more than just low prices on goods and services. Other benefits include:

- Instant, 24-hour bid and contract information.
- Weekly messages about new contracts, contract changes and other valuable information.
- General contract help, technical specifications and product assistance.

For more information about the purchasing cooperative, see its Web site at www.ga.wa.gov/pca/pcacust.htm or contact Pam Warner, marketing coordinator, at 902-7416.

"We buy off state contracts all the time and have used the LOCAL program to finance a couple of purchases . . . Both programs have been very beneficial for us."

— **Bob Noland**,
City of Kennewick

Dates to remember: Overview of LOCAL Program schedule

Equipment

Cutoff date*	Approx. funding date	First payment due
January 10	February 15	June 1, year of issue
March 10	April 15	June 1, year of issue
May 10	June 15	December 1, year of issue
July 10	August 15	December 1, year of issue
September 10	October 15	December 1, year of issue
November 10	December 15	June 1, following year

** When the 10th falls on a weekend or holiday, the cutoff date will be the next business day.*

Real Estate

Cutoff date*	Approx. funding date	First payment due
February 15	May 1	December 1, year of issue
August 15	November 1	June 1, following year

** When the 15th falls on a weekend or holiday, the cutoff date will be the next business day.*



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